

THE SECRETARY OF STATE
WASHINGTON

February 19, 1983 42

Dear Mr. President:

In reviewing our budget requests, OMB has proceeded on the premise that the Department of State is a domestic agency and therefore subject to domestic agency resource limitations. In fact, of course, this Department is directly involved on a daily basis worldwide with vital national security matters. It is now clear from our experience that we will not be given adequate resources to contribute our fair share to the nation's intelligence effort unless OMB treats us as an integral part of the national security apparatus.

Bill Casey has written you in very strong support of that position when he submitted the FY 1984 National Foreign Intelligence Program budget. Bill and I both agree with your firm resolve to build up our defense and intelligence capabilities overseas as well as at home. However, our embassies overseas, for example, which provide so much basic material to Bill's agency and others, will not be able to keep pace with the growth of the other security organizations so long as we continue to be viewed as a domestic department by OMB.

I would therefore respectfully urge that State be treated in the future as a national security element and would further ask that you speak to Dave Stockman about implementing this concept.

Sincerely,



George P. Shultz

The President,
The White House.